

The American Observer

A free, virtuous, and enlightened people must know well the great principles and causes on which their happiness depends. — James Monroe

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Plate River States Talk Over Problems

Bolivia, Paraguay, Uruguay, and Argentina Are Represented at Montevideo Conference

BRAZIL ALSO INTERESTED

War Abroad Forcing South American Nations to Seek Security in Regional Cooperation

In Montevideo, the spacious and well-built capital of Uruguay, representatives of five South American republics had gathered last week to discuss problems peculiar to that vast region in the south-eastern part of the continent known as the Plate River basin. In addition to the Uruguayans, who were playing host, were the foreign ministers of Bolivia and Paraguay, and officials from Argentina and Brazil. The Plate River conference, originally scheduled for last autumn, is just beginning its sessions as we go to press. There is a possibility that it may turn out to be a significant meeting—signifying a trend toward regional cooperation in South America.

Summer in Uruguay

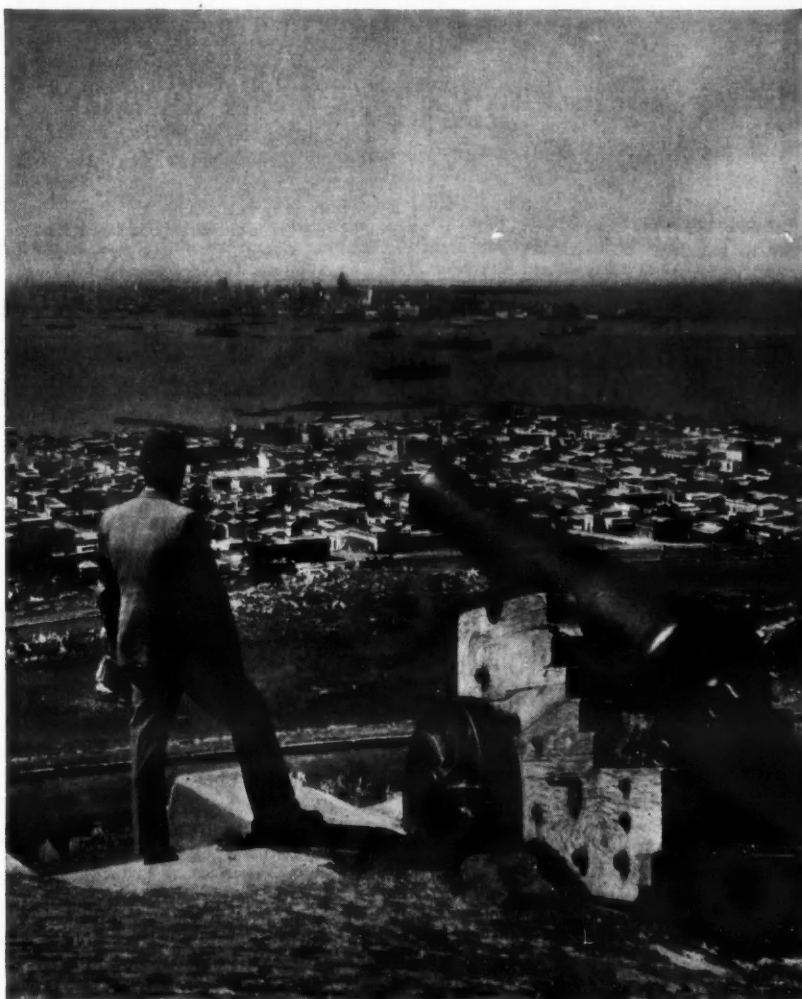
Since the seasons are reversed south of the equator, it is now high summer in Uruguay. The days are long; the sun is hot, and people move slowly along the wide boulevards, stopping often to talk in the shade of trees, to look into shop windows or engage in a discussion of how the war is going in Europe. Montevideo is a modern city, and its people are well up on news of world affairs. At night a cooling breeze sweeps in off the River Plate. It is that river, the great rolling lowlands through which it flows, and the streams which pour into it, which helps to bind Argentina, Paraguay, Bolivia, and Uruguay together.

The Plate River, or *Rio de la Plata* as South Americans know it, pours into the Atlantic in a broad shining flood between Uruguay and Argentina. Where it meets the sea the Plate is 170 miles across—the widest river mouth in the world. But it is as shallow as it is wide. Long mudbanks lie a few feet beneath its surface, making the stream dangerous to shipping. Lines of lightships and lighthouses warn of a thousand hidden dangers; brightly colored buoys mark the few channels deep enough for ocean-going ships.

Uruguay occupies a place of special favor on the River Plate. It lies on the north bank, and it is along this bank that the only really deep water of the river runs. So it happens that Montevideo is the only first-class port on the river. It has given the 2,000,000 Uruguayans easy access to the outside world, which may partially explain why it is that they are one of the most advanced people in South America. Unlike most of its sister republics, Uruguay has virtually no Indian population. Its people (mostly Spanish) are of European stock. As a people they are quite well educated and well informed. Their schools are good, and their political system has probably been the most democratic of any state on the continent.

But while Uruguay is a pleasant, healthy, and moderately prosperous place to live, it is at the same time small and weak. In foreign affairs Uruguay almost always follows the lead of Argentina, her big neighbor across the river. And the prosperity of Uruguay depends upon the general prosperity of the wide plain, only a small

(Concluded on page 7)



SEVERIN FROM THREE LIONS
RIVER PLATE—THE HARBOR AT MONTEVIDEO

Open-mindedness

By EDGAR B. WESLEY

People have no right to their own opinions, unless their opinions are based on information and some degree of understanding. I have no right to an opinion as to who is the greatest doctor in Minnesota, the best ball player in the National League, or the best United States senator. The statement of an opinion tends to close the mind; it tends to put one in a legalistic mood which involves hunting evidence and twisting testimony to prove a previously expressed opinion. Therefore the holding and expressing of idle opinions is the arch-enemy of open-mindedness. One has a right to an expressed opinion in an area or on a subject about which he is informed. If he has some information and expresses a *tentative* opinion, he is more likely to be receptive to additional evidence. Thus information and open-mindedness are allies and friends. Ignorance is dogmatic; knowledge is tentative, reasonable, and open-minded.

One must make a distinction between open-mindedness with respect to a *fact* and open-mindedness with respect to a *policy*. When the evidence is all in (as in the case of a murder trial), one must conclude, but even so one must be willing to reopen the case when new evidence is uncovered. In the case of a *policy*, one must secure a reasonable amount of information and then make up his mind *tentatively*. Knowing something about sales taxes, I am unalterably (for the time being) and absolutely (within limits) opposed to them for all time (i.e., as far into the future as I can see). Some new evidence might appear (although I doubt it, for I think I have heard *every* argument that can be adduced), in which case I might be persuaded to reopen the case. My wording illustrates the desirability of having clear-cut, emphatic opinions on matters about which one knows something. I despise Sir Roger de Coverley for weakly and supinely observing at all times that "there was much to be said on both sides." Of course there was, but the old squire should have heard it all (or at least enough of it) at his age and should have made up his mind.

Open-mindedness with respect to *irreflexive*, inert matters, is of no importance except as a training ground or as a revelation of an attitude. Did Booth kill Lincoln? The answer is of no social or present importance. Should we continue to build battleships? The question of policy is very important. The opinion of Tom, Dick, and Harry as to the *wisdom of building* is of no value, but their opinion as to it as a matter of *policy* is tremendously important. Their opinion will actually determine *policy*. Therefore it is crucial that they be correctly informed so as to have a sound basis for their opinion. Thus open-mindedness is absolutely indispensable in a democracy. The Gallup Poll evidently shows that we have a reasonable degree of open-mindedness. Let us cultivate it.

New Taxes Needed For Defense Costs

Congress Expected to Deal With Taxation After Lend-Lease Bill Is Disposed of

BURDEN IS ALREADY HEAVY

But Record-Breaking Expenditures by Federal Government Make Higher Levies Necessary

In a little more than a month—on March 15—the first installment on the income tax payments will be due. All single persons who in 1940 earned more than \$800 will be obliged to send in an income tax return to the federal government, as well as all married persons with an income of more than \$2,000. Because the tax laws were changed at the last session of Congress, more than 2,000,000 additional persons will have to send in income tax returns this year. And those who have been paying the income tax for years will find this year that they will have to pay more, for Congress increased the rates at the last session.

Higher Taxes Seen

While many people will complain about paying taxes this year, as they always complain, they are beginning to realize that they have only begun to pay taxes. The federal government's expenditures for the coming year may exceed all previous levels, by the time all the costs of national defense and aid to Britain are met. Certainly not all these expenses will be met by taxation, as a large part of the money must be borrowed. But the President has recommended that an increasing proportion of them be met by taxation and Congress seems in a mood to follow the President's recommendations by boosting the tax rates. Thus when the highly controversial lend-lease bill is out of the way and other important legislation is disposed of, Congress will settle down to the arduous task of writing a new tax law in order to help defray the costs of the gigantic national defense program.

The writing of a new tax law will be a long and arduous task, for taxation is one of the most difficult and complicated problems facing government. If the needs of the federal government alone had to be taken into account, the task would be simpler, but in the United States the federal government is only one of the bodies that levies taxes. Each of the 48 states has its tax system, and on top of the state taxes there are about 175,000 counties, towns, and school districts which impose taxes of one kind or another. It is a question, then, of working out a system that will produce the largest amount of revenue without working too great a hardship upon the people who must pay the taxes.

Although the income tax constitutes the principal source of revenue for the federal government and for many of the states, it is by no means the only tax imposed upon the American people. In fact, only a small percentage of the people are obliged to pay the federal income tax. Even with the 2,000,000 additional persons who have been added by the 1940 revisions in the law, the total number who will have to pay income taxes in March will probably be no greater than 5,000,000. The great bulk of Americans are exempted from the federal tax because their incomes are below the requirement.

But every American pays taxes to both the federal government and the state and local governments, whether he is aware

(Concluded on page 6)



AN EARLY ATTEMPT TO INVADE ENGLAND
The Spanish Armada swept up the Channel to storm the coasts of England in 1588, but met with defeat.

Historical Backgrounds

By David S. Muzzey and Paul D. Miller

Past Attempts to Invade England

AS the threat of an attempt at the invasion of England this spring draws nearer, nearly everyone will recall that nearly 875 years have elapsed since the last foreign invader set foot on English soil. It was in the year 1066 that the mail-clad soldiers of William, Duke of Normandy, landed in southern England, and successfully carried out the most recent foreign invasion in British history.

While William's conquest of England was important, it was not so critical an event as a Nazi invasion might be today. For one thing, there had been many previous invasions, most of them from Denmark and Norway. William himself was of Scandinavian origin, ruling a group of settlers known as Northmen or Normans, who had moved into northern France from the eastern reaches of the North Sea. William had no intention of crushing Britain, or any particular class within Britain. All he wanted was the British throne to which he claimed he was entitled because of a solemn promise given him by King Edward the Confessor some time previous to the sovereign's death. The actual validity of the claims set forth to Edward's vacant throne is still in question, but the crown was seized by Harold of Wessex, who became King Harold II, and after some delay, William gathered his ships and troops, and started off.

William the Conqueror

When the Norman army landed on the southeastern shores of England on September 28, 1066, Harold was away in the north where he had just defeated a Danish attempt to invade Yorkshire. He assembled as many troops as he could, and moved rapidly southward, finally taking up a strong position on the crest of Senlac Hill, where he barred the road along which the Normans were moving from Hastings (on the south coast) toward London.

At nine o'clock on the morning of October 14, the Normans began to advance up the long slopes of Senlac Hill, pitting chiefly their archers and cavalymen against the English battle-axes which awaited them behind a solid wall of interlocking shields. Although the Normans fired so many arrows into the air that the sky grew dark, the Saxon English held the line, and threw the Normans back again and again, until William confused the English by a ruse. Twice he called back his troops in retreat, and as the Saxons swarmed down the hill to clinch their supposed victory, Norman cavalry swept in and cut them down. After that the tide turned, and nightfall found Harold mortally wounded, the British forces shattered and attempting desper-

ately to escape. William had no trouble after that. He assumed the English crown and the surname "the Conqueror," brought England closer to the continent intellectually, and laid the basis of a feudal society by forcing the nobles to swear "fealty" to him.

The next serious attempt to invade England came 522 years later, from Philip II of Spain. Realizing that he would have to fight the British at sea before he could land troops, Philip fitted out what the Spaniards called the "Invincible Armada," a great fleet of 131 large war galleons and swarms of smaller craft, which he loaded with 19,000 troops and 8,000 sailors.

Later Attempts

Just before noon on July 21, 1588, the British fleet engaged the Armada, which was moving ponderously up the Channel in the form of a crescent moon. The British vessels were small, but fast and skillfully managed, and the battle was one of the utmost fury and confusion. When it was over, no one in England seemed to know whether the battle had ended in a draw or in a defeat. Many galleons had been burned, but the bulk of the Armada had sailed on to the east, and many anxious eyes were turned in that direction, awaiting its return. But it never came back. The Armada had been far more seriously damaged than most Englishmen supposed, and to make matters worse it was widely scattered by a wild tempest which wrecked many of the galleons trying to reach the Atlantic by sailing north around Scotland. Some foundered at sea, some drifted ashore as far away as Norway. Only 50 returned to Spain, and England was safe for another 200 years.

Strictly speaking, the last attempt to invade England was not an attempt at all, but merely a project which, after some thought, was abandoned. In 1803, Napoleon, then at war with England, began to gather a large army, navy, and a fleet of flat barges at the Channel port of Boulogne on the French coast. As these forces swelled steadily, and drilled at landing troops from barges under fire, the British became seriously alarmed, and began to prepare improvised defenses along the south coast. Once again it seemed that an invasion of England was imminent. It is said that Napoleon himself made several secret trips to the English coast by night, planning the invasion in detail, but whether he actually intended to attempt it is not known. While the English were feverishly preparing for the worst, he suddenly shuttled his army across Europe and fell upon Austria instead. Shortly thereafter the Battle of Trafalgar cost France much of her fleet and the opportunity slipped from Napoleon's hands. Already the tide had set in against him. The British began once more to breathe easily, and their island has remained untouched ever since.

The Good Citizen Is Humanitarian

SUPPOSE that two men, whom we will call Smith and Jones, walk down the street in a poorer section of a city. On every hand they see the effects of poverty. They see little children poorly dressed, shivering in the cold as they try to play in the streets. They show signs of undernourishment. Perhaps they are actually hungry. Smith and Jones go into homes and see heads of families who are ill; mothers and fathers who are not able to care for their children; who are too poor to buy medicine or to employ doctors or nurses. These travelers through the streets see pain, suffering, sadness, and despair.

As the two men return to their homes, Smith is sad and depressed. He does not enjoy the warmth and comfort of his home that night. He still sees in his mind tired, hungry, discouraged faces. He cannot be very happy so long as so many other people are unhappy. He keeps saying to himself, "What can we do about it? Isn't there something I can do? Isn't there something which the city or the nation can do to give work to people who are unemployed, or to give opportunity to the poor who seem to have so little chance for happiness?"

Jones isn't bothered so much by what he has seen. He found the walk somewhat interesting, though distasteful. But it didn't really hurt him to see the sick and the hungry. Even the pinched faces of the little children didn't cause him any particular sensation of pain. He was somewhat uncomfortable for the moment, perhaps, but not much, and as soon as he was back in his warm, luxurious home he was as happy as ever. If Smith had come along that night with a program for helping the poor, Jones would not have been interested.

The difference between these men is that Smith is a humanitarian and Jones is not. Everywhere you go you will find people like Smith and others like Jones. It has always been that way. It is no doubt a fact, however, that there are more people per thousand like Smith today than was the case a hundred or two hundred years ago.

There are many indications of a development of humanitarianism during the course of our history. In the early days men were thrown into jail if they couldn't pay their debts, and few people seemed to care. If such a thing should happen today, millions of people would be so outraged that they couldn't rest easy until the debtors were returned to their families. This is just one of scores of illustrations of a broadening of the sympathies.

This doesn't mean that people are born different from what they once were. Men and women are fundamentally the same now as formerly. But ideals and standards of conduct change. Education has changed. People grow up in an environment different from the old. That is what makes them more humane.

There are still too many people like Jones, however. And they are not good citizens. Men like Smith are the ones who really help to create better conditions. They are the ones who make democracy a power for good, and who help build a nation in which increasing numbers of the people may be healthy and happy.

Each person should cultivate his sympathies. He needn't be a busybody, prying into the affairs of others. But neither should he harden his heart at the thoughts of another's woe. "Bear ye one another's burdens." Those who heed that injunction, and they alone, are on the side of progress. They alone are the good citizens, the true patriots, the real builders of a strong, humane nation and of an enduring civilization. And they alone will enjoy in the long run the peace of mind and the solid satisfaction which come from the performance of duty.

You should not, of course, be a sentimentalist. Do not become morbid. Do not let your mind dwell too much on the misfortunes of others or upon your own, for that matter. But seek to grow in experience and understanding. Find out about the problems which beset the people of your community and your country. Consider these problems with kindness and sympathy. Do what you can to smooth the road for all. In doing so you will find yourself on the road to personal happiness and to the kind of citizenship which a successful democracy requires.



Test Yourself

Ask yourself these questions. You need not make your answers public. They are for you alone. When you have finished, put the paper containing your answers away; keep also the list of questions. In a few weeks get the list out and take the test again. Then compare your answers with the earlier ones. You can tell in that way whether, after having given the matter thought, you are developing higher standards.

Note each of the following circumstances. In each case, ask yourself how you would feel; that is, would you (a) experience great mental pain, so that you would be very unhappy; (b) feel rather badly, but not intensely so for the moment; or (c) be almost wholly unaffected by the circumstances described—not particularly uncomfortable.

1. You witness the grief of a bereaved family at a funeral.
2. You see a little child, apparently cold and hungry, crying in the street.
3. (a) You see a man viciously whipping a little boy. (b) Whipping a horse.
4. You see your neighbor's child run over by an automobile.
5. You read that a child in another city has been run over by an automobile.
6. A mine explosion near your city entombs a dozen men, one of whom is your neighbor.
7. You read that a mine explosion in Russia or England entombs a hundred men.
8. You make a trip, such as Smith and Jones did, and see people who are ill and going without medical care.
9. You see no actual evidences of want with your own eyes but read that there is more illness among the poorest third of the population than among the others because these poor people do not have adequate medical care.
10. You read (and have reason to believe it is true) that a third of the people of America are ill fed, ill housed, and ill clothed.





MAXWELL AND TENNYSON, WASH., D. C.

THE PHARMACIST

• Vocational Outlook •

Pharmacy

ONLY a few decades ago, the pharmacist dealt solely with drugs and medicines, most of which he mixed himself according to doctors' prescriptions. As the profession became overcrowded, there was not enough business from this source to go around, so nearly all apothecary shops began handling other products. The result—only a small portion of the modern drugstore is reserved for the pharmacist, while the rest is given over to a soda fountain and to a wide variety of modern merchandise.

In this situation, according to an article in the December 1940 issue of *Hygeia*, pharmacy has suffered as a specialized profession. The writer predicts, however, that in time "drugstores will sell package goods, and the profession of pharmacy will entrench itself in laboratories and pharmaceutical shops."

Shops in which the pharmacists "do nothing but fill prescriptions and carry on pharmaceutical researches" are flourishing in many localities, reports the writer. "More hospitals are beginning to have their pharmaceutical laboratories where work of scientific and professional quality is assured." The requirements for becoming a pharmacist have been raised in most states to the extent that "no longer can a pharmacist be trained in a few months. It now takes four years for a decent minimum course, and in time the requirements will be even higher."

The young pharmacist today, therefore, can expect gradual changes to take place in his profession—all working toward its improvement. In time, he will be dealing more and more with his specialty of filling prescriptions, and less with the duties of an ordinary salesclerk. As the profession becomes less crowded (due to stricter entrance requirements) and as its duties return to greater specialization, the average earnings of pharmacists will greatly increase.

At present there are about 100,000 registered pharmacists in the United States, but only 2,000 newly graduated pharmacists are coming along annually to take the estimated 5,000 vacancies which turn up each year. A survey in 1936 showed a high rate of employment among the 11,495 persons who graduated from pharmacy colleges from 1930 to 1936—about 98 per cent.

One of the advantages of the profession is that the student pharmacist has a good opportunity to work his way through school, earning from \$12 to \$18 a week in a drugstore, and gaining the practical experience which is demanded by most states before they will register him and give him a license.

After graduating from one of the nation's 69 approved four-year schools and after passing the state examinations, the pharmacist may expect to earn about \$100 a month. The average salary of experienced pharmacists runs from \$30 to \$40 a week in smaller stores to \$50 or \$60 a week in large stores. Expert pharmacists may obtain jobs calling for original research in

industrial concerns, where the salary range is from \$3,000 to \$5,000 a year. Pharmacists in hospitals generally receive from \$130 to \$150 a month. If one has from \$1,500 to \$5,000 to set up his own store (the amount needed depends on the store's size and location), he may realize an estimated \$3,000 to \$5,000 a year in profits from a successful business.

Long hours, confining work, and the necessity of working on Sundays and holidays—these are the chief disadvantages of the profession. Women pharmacists, moreover, are at an added disadvantage in seeking employment, since many states limit the hours which women may work, and employers are not anxious to hire a woman pharmacist because of these restrictions.

The student who plans to become a pharmacist should study physics, chemistry, botany, zoology, and physiology, as well as salesmanship. He must graduate from high school in order to enter a pharmacy school.

The Week at a Glance . . .

Tuesday, January 21

Joseph P. Kennedy, retiring ambassador to Great Britain, testified before the Foreign Affairs Committee of the House of Representatives favoring aid to England but opposing the lend-lease bill as it stands. He did not describe changes in detail but said there should be a time limit to the grant of powers for the President and that Congress should, in some way, maintain more of its authority. He is strongly opposed to our getting into the war.

It was announced in Parliament that there will be conscription of labor in England. Workers employed in non-essential industries may be drafted into the production of war materials.

Serious riots, the origin of which is uncertain, broke out in Rumania.

Wednesday, January 22

Associate Justice James C. McReynolds of the United States Supreme Court, outspoken foe of the New Deal, resigned after a service of 26 years. He is 79 years old.

Tobruk, important Libyan port, captured by the British. About 25,000 Italians surrender.

Rumanian riots spread.

Wendell L. Willkie started to England to gather information about the course of the war.

Roosevelt denied intention to convoy ships to England.

Thursday, January 23

Colonel Charles A. Lindbergh testified before the Foreign Affairs Committee of the House opposing the lend-lease bill. He said America cannot be successfully attacked even if England should fall and that, on the other hand, the United States and Great Britain could not defeat Germany. He said he would prefer that neither side should win the war but that there would be a negotiated peace.

Rumanian riots subsided.

TWA air liner crashed at St. Louis. Killed two.

Friday, January 24

President Roosevelt took unprecedented step by meeting Lord Halifax, British

ambassador to the United States, at sea as he approached on a battleship.

Congress appropriated \$350,000,000 for the building of 200 cargo ships.

The British pressed far beyond Tobruk and the invasion of Libya.

Italians fell back slightly in Albania.

Saturday, January 25

British reported near Derna, Libya, where Italians are making another stand. Lord Halifax asked quick aid for England. Said Hitler lost his chance to win war last June and that England will win if she gets sufficient aid from America.

William C. Bullitt, former ambassador to France, testified in favor of lend-lease bill before House Foreign Affairs Committee. Taking issue with Colonel Lindbergh, he said that if we give material aid to England, she can win without our entering the war or using our troops.

Serious rioting reported in Italy.

Sunday, January 26

Isolationists in Congress announced they will call upon President Roosevelt to ask nations in the war to state their war aims.

Foreign Minister Yosuke Matsuoka of Japan denounced President Roosevelt and Secretary of State Hull; declared United States is interfering with Japan in the Far East and renewed Japan's pledge to help Germany and Italy if the United States goes to war with them.

London enjoyed seventh day of freedom from severe air attack.

Italians began counteroffensive in Albania.

British invaded Eritrea in East Africa.

Wendell L. Willkie arrived in London.

Monday, January 27

The Senate Foreign Relations Committee began hearings on the lend-lease bill. Heard testimony of Secretary of State Hull at secret session.

Leaders of both parties conferred with President Roosevelt on the lend-lease bill.

Count Ciano, Italian foreign minister and son-in-law of Mussolini, was sent to the front in command of a bomber fleet in an effort to strengthen Italian morale.

Information Test

Answers to history and geography questions may be found on page 8. If you miss too many of them, a review of history and geography is advisable. Current history questions refer to this issue of THE AMERICAN OBSERVER.

European History

1. The Reform Bill of 1832, one of the important milestones in the development of democratic government, brought about increased popular representation in (a) France, (b) the United States, (c) England.

2. Two famous men who worked for the unification of Italy in the middle of the nineteenth century were (a) Cavour and Garibaldi, (b) D'Annunzio and Ciano, (c) Gayda and Celinini.

3. What European country lost its independence for over 100 years as a result of its partitioning in 1772, 1793, and 1795 by Russia, Prussia, and Austria?

4. The year 1492 marks the discovery by Columbus of America. It also marks the expulsion of the Moors from Spain in the Battle of —.

5. Charles XII and Gustavus Adolphus were rulers of what European country at the height of its power?

6. What war brought about the downfall of the last monarchy in France?

Geography

1. The United States is now taking steps to strengthen its defenses of the Panama Canal by leasing bases on the Galapagos Islands. Which entrance to the Canal would these bases guard? To whom do they belong now?

2. The country where a fascist organization known as the Iron Guard has recently been in revolt is (a) Bulgaria, (b) Argentina, (c) Finland, (d) Rumania.

3. The Mediterranean islands owned by Spain are known as (a) the Do-

decinese, (b) the Balearics, (c) the Cyclades, (d) the Office Boys.

4. Lake Titicaca, which lies about 12,000 feet above sea level is shared by (a) Bolivia and Peru, (b) Chile and Argentina, (c) Finland and Russia, (d) Syria and Palestine.

5. The only independent state in Asia which lacks access to the sea is (a) Thailand, (b) Afghanistan, (c) Palestine, (d) Iran.

6. One of these three countries has no border on the Arctic Ocean—Sweden, Norway, Finland. Which is it?

Current History

1. What is the principal source of revenue of the federal government? What are some of the taxes imposed by the states? by local governments?

2. Why is it likely that Congress will enact a new tax law during the present session?

3. Which of the South American countries are known as the River Plate powers?

4. What are some of the causes of friction between Argentina and the United States?

5. In what way did President Roosevelt break a precedent when he met Lord Halifax?

6. Name three witnesses who testified in favor of the lend-lease bill and three who opposed it.

7. When was England last invaded?

8. Who is Sir Willmott Lewis and why has he been called Britain's "unofficial ambassador" to the United States?

9. How much is the President of the United States allowed for traveling expenses?

♦ SMILES ♦



"I think you parked too close to the fire hydrant, Ethel."
D'ALESSIO IN SATURDAY EVENING POST

"Why is this letter so damp?"
"Postage dew, I guess." —COLLEGEIAN

"What do you do when all the world is gray and gloomy?"
"I deliver the milk." —SELECTED

Mother: "What in the world is all this loud talking and arguing about in the living room?"
Son: "Aw, Grandpa's trying to show Pop how to do my homework." —SELECTED

"You hammer nails like lightning."
"You mean I'm a fast worker?"
"No—you never strike twice in the same place." —GRIT

"What do you think of Arthur's meeting a girl on the coast-to-coast plane, and getting engaged before they landed?"
"It merely proves that all the perils of air travel haven't yet been eliminated." —PATHFINDER

Husband: "My faith could move a mountain."
Wife: "Then you had better apply some of it to those ashes in the basement." —SELECTED

"Cheer up! You'll forget all about that girl and be happy again."
"Oh, no, I won't. I've bought too many things for her on the installment plan." —GRIT

The Week at Home

Lend-Lease Bill

All legislation in Congress has been sidetracked for the debate over the lend-lease bill. Only 25 representatives belong to the House Foreign Affairs Committee, but its hearings on the measure have been like a magnet, drawing the attention of the entire Congress and of the nation.

Appearing in behalf of the lend-lease bill were Secretary of State Hull, Secretary of the Treasury Morgenthau, Secretary of War Stimson, Secretary of the Navy Knox, and William S. Knudsen. Among those who took the stand against the measure were Colonel Charles A. Lindbergh, former Assistant Secretary of War Hanford MacNider, Columnist Hugh Johnson, Norman Thomas, and former Undersecretary of State William R. Castle. Joseph P. Kennedy, former United States ambassador to Great Britain, seemingly was both for and against—each side drew some comfort from his testimony.

Many of the scenes before the House committee are now being repeated as the Senate Foreign Relations Committee interviews witnesses. Before the Senate hearings run their course, however, Wendell Willkie will probably have returned from Europe, and his appearance on the stand in favor of the bill will undoubtedly be sought.

Thus the stage is being set in Congress for the final act—the massed arguments of both sides marshaled for debate. Should the President have the power to transfer under terms he thinks wise any or all articles of defense to foreign countries

men and sailors at Annapolis. Six miles off shore lay the new 35,000-ton British battleship, *King George V*, riding at anchor.

It was the setting for a historic meeting, because the grim warship had crossed the Atlantic with Lord Halifax, Britain's new ambassador to the United States, and his party on board. Breaking all diplomatic precedents, President Roosevelt was on hand to greet the envoy. The presidential yacht *Potomac*, with Roosevelt on board, carried the Halifax party to the landing, and from there White House cars returned the group to the nation's capital.

Ordinarily a new ambassador to the United States is greeted by a minor official of the State Department, and after a wait of several days he is presented to the President. To emphasize the close bonds between the United States and Britain, however, Roosevelt chose to extend the unusual courtesy of journeying to meet the new ambassador before he had even landed.

Plans to Borrow

During the next year and a half, the United States government intends to borrow \$17,000,000,000. At the rate of one billion dollars a month, it must raise the funds to pay for the huge defense and governmental expenses which cannot be met out of tax collections.

The borrowing, moreover, must be planned with unusual care, because the government is already in debt for the heavy expenses of recent years. Piled on the billions which remained unpaid following the World War is the \$28,700,000,000 debt of the last eight years. The total sum is now nearing the limit set by law—49 billion—and this ceiling must again be raised by Congress.

Facing these financial problems, Treasury officials are planning to call on citizens in all walks of life to lend money to the government. Wealthy individuals will purchase the large bonds which will be issued, but persons of ordinary means will probably also share by purchasing special Treasury stamps and "baby" bonds of small denominations. The purpose is to give everyone an opportunity to invest part of his savings—large or small—in government securities.

If this plan is carried out, it is believed that it will be a wiser method than to call on only the banks, insurance companies, and rich individuals for money. The government will owe the money to more creditors, and will avoid the various economic pitfalls which might be created if the debt were concentrated in the hands of comparatively few investors.

Nutrition Front

"Proper nutrition is exactly as important to the country now as are 50,000 airplanes that will fly 400 miles an hour. There is, now, a Nutrition Front."

This statement, made by a Department of Agriculture official, accompanied the recent announcement that within a month or so the national defense program will be broadened to include another front—health preparedness through proper diet. By newspaper, by radio, and by mail the nation's citizens will be told how they can build up their health by eating the proper foods. "Vitamins for Defense" may appear as the slogan of the campaign.

All this has come about because it is recognized that healthy people are needed to man industrial machines and to carry on the everyday affairs of the nation as well as to serve in the Army and the Navy. Consequently, housewives will be taught what foods are best for their families and what cooking methods are most satisfactory.

This is just a beginning of the "all-out" health defense which is planned. Another development is the forthcoming introduction of a new white flour, injected with substances rich in Vitamin B. Until now, the health-giving qualities of whole wheat have been milled out of flour to cater to



LINDBERGH TESTIFIES ON THE LEND-LEASE BILL

One of the dramatic moments in the House Foreign Affairs Committee hearings on the lend-lease bill came when Colonel Lindbergh appeared to testify against the bill. Lindbergh took a strong isolationist position and said he would prefer to see "neither side" win the war, offering his opinion that "a complete victory for either side would result in the prostration of Europe such as we never before have seen."

the demands of American tastes, but it will soon be possible to buy white bread and flour to which these elements have been restored.

There are plans, of course, to supply food to those families whose incomes are insufficient to purchase what they need. The serving of free school lunches and the distribution of various surplus agricultural products will be continued and perhaps expanded.

Changed Court

After nearly 27 years on the Supreme Court, 79-year-old Associate Justice James C. McReynolds has retired. He leaves with the name of "lone dissenter," because in recent years his opinion has so often stood by itself against the majority judgment of the court. It was not so, six or seven years ago, when the court was declaring unconstitutional many important New Deal measures.

That situation, of course, moved President Roosevelt to ask Congress to enlarge the Supreme Court, and thus to give him an opportunity to appoint a majority of the justices. Congress turned down the proposal, but shortly afterward deaths and retirements from the high court created vacancies which Roosevelt filled. The ordinary course of events has thus changed the membership, leaving Justice McReynolds in the minority.

His retirement gives President Roosevelt a sixth opportunity to name a justice. Previously the President has appointed Justices Hugo Black, Stanley Reed, Felix Frankfurter, William Douglas, and Frank Murphy. Only George Washington, of all the presidents, appointed a greater number

than six. Speculation as to whom the President will name to take McReynolds' place has centered on Attorney General Robert Jackson and Senator James Byrnes of South Carolina.

John Gilbert Winant

Unless some unforeseen development occurs, John Gilbert Winant will have received his appointment as United States ambassador to Great Britain by the time this paper reaches its readers.

Mr. Winant is a man of contrasts—a wealthy Republican who has long supported the New Deal and has interested himself in the problems of labor. Born in New York City, he spent his youth in New Hampshire and still maintains a home there. Soon after graduating from Princeton he became interested in politics, and chalked up his first victory by winning a seat in the New Hampshire legislature.

He had no more than learned his way about in his new job when the United States entered the World War. Enlisting as a private, Winant saw action with aerial and observation squadrons, and emerged from the conflict with a captain's commission. Picking up his political career where he had left off, he spent the next several years in the state legislature.

New Hampshire Republicans were impressed with his ability, and chose him to run for governor. He occupied the statehouse from 1925 to 1926, and after an absence of a few years became governor again from 1931 to 1934. During this time, he introduced various social welfare reforms which received national attention.

Consequently, after leaving the governorship, he was given the post of assistant director of the International Labor Office, a research division of the League of Nations. Then President Roosevelt asked him to head the Social Security Board. He resigned from the board in 1936 to campaign for Roosevelt, and afterwards returned to the ILO, which he has directed since 1939. He is a tall, carelessly dressed man, slow of speech and deliberate in manner—"an aristocratic version of Lincoln."

PRONUNCIATIONS: Antonescu (ahn-toe-nesh'koo), Buenos Aires (bway'noes i'rays-i as in ice), Gran Chaco (grahn' chah'koe), Montevideo (moan-tay-vee-day'oe), Paraná (pah-rah-nah'), Rio de la Plata (ree'oe day' lah' plah'tah), Salado (sah-lah'doe), Leonardo da Vinci (lay-oe-nahr'doe dah' veen'chee).



LORD HALIFAX ARRIVES

After arriving dramatically on a British battleship, and having been met in Chesapeake Bay by President Roosevelt himself, the new British ambassador settles down to the serious business of his mission; to obtain the utmost aid for Britain from the United States. He is shown here conferring with Secretary of State Hull.

whose protection he considers vital to the United States? Does Britain face defeat, and would such a defeat be a catastrophe to us? Would aid from America prevent her defeat? Should the powers being given the President under the present terms of the bill be trimmed?

Those are some of the momentous questions which will be argued during the next month and a half—the period which most congressional leaders believe will be consumed before the bill reaches a final vote.

Ambassador Arrives

Gray mists shrouded Chesapeake Bay on a recent winter evening, hiding the choppy waters from the gaze of hurrying midship-

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Manufacturers throughout the United States who cooperate with government defense requirements are authorized to display this placard.

The Week Abroad

Tense Interlude

The beginning of last week found Britain a mystified and somewhat uneasy land. For seven consecutive nights there had been virtually no air raids. True, a wild gusty wind carrying squalls in from the sea had been scuffing over the lonely moors and through English towns, banging metal signs, filling the air with dry leaves, and driving most people indoors to their fires. But the R.A.F. had gone off as usual with its load of bombs for the enemy, droning back again in the gray of dawn. So the British suspected there was more to it than the weather. They felt something was brewing. Some feared that the long-awaited all-out invasion attempt might be drawing near.

While awaiting the expected blow, the British government began to make use of its broad emergency powers. Labor Minister Ernest Bevin announced that all able-bodied men and women will have to register for a nation-wide draft of labor. This decree, necessitated by the fact that with 4,000,000 men under arms Britain is beginning to feel a scarcity of workers, will enable the government to place every employable person in the place where he or she is most needed, whether in or behind the battle lines.

Rumania in Chaos

Not since the civil war in Spain has any European country been so torn by internal strife as has Rumania during the last few months. By last week the turmoil had reached the verge of civil war. Men and women were shot down in railway stations, in streets and restaurants; heavy guns poured salvos of shells into buildings in Bucharest; raiding bands—some organized well, and some not—ranged over the countryside, killing and plundering. Thousands were killed, and a good many of them were Jews.

Why did it all happen? On the surface the struggle seems to have had its origin in a dispute between the government of Premier Ion Antonescu, and the fascist-minded Iron Guard organization. It is true that the rebels were nearly all members of the Iron Guard, but so was Antonescu and many of the soldiers who sided with the government. Was Hitler behind it? This seemed possible, because German troops have been in control of Rumania for some months, and could have either caused or stopped the disorders if they had so desired. But the German officers remained coldly aloof from the fighting, and it should be remembered that Germany looks to Rumania for important supplies of oil, grains, and mineral ores. Any internal disorders imperil the continued flow of these supplies. Were the disorders sponsored by Russia? This is also possible, for the Soviets would like to weaken Hitler's hold on a region so close to the Soviet Ukraine, but the Iron Guard has always been violently anti-Soviet, and whether it could make such a quick about-face is doubtful.

At the time of writing the revolt seems to have failed. Many Iron Guard leaders have been captured and are being put to death. The sudden failure of the revolt after such widespread turmoil has caused some observers to believe that the Nazis saw a revolt coming in Rumania and let it run its course while the lull continued on the main battle fronts, thus letting off steam in Rumania, and perhaps convincing many Rumanians that outright German military rule is better than a continuation of civil strife within the country.

Trouble in Milan

Second only to Rome among the cities of Italy is Milan, which lies in the plains of Lombardy under the south wall of the Alps. It is an old and historic city, famous for its huge and overornate cathedral, for the orchestra and chorus of La Scala—

where Italian opera is at its best, and for its treasury of famous art works, among which is the priceless and world-renowned painting, "The Last Supper," of Leonardo da Vinci.

But Milan also is a great commercial and industrial town of more than a million people. On an average day 350 trains roll through its central station. Its factories produce gloves and leather goods of all kinds, silks, fine glass, and porcelain. With its commerce and contacts with nearby Germany and France, Milan has always been more international in atmosphere than Rome or Florence or Naples. It is the home of many Italian capitalists; a seat of former labor movements, and also of those conservatives who favor the King over Mussolini. Thus it is that the three groups least favorable to radical Fascism—labor, the royalists, and more recently, the capitalists—have been centered in Milan and its surrounding region in the northern part of Italy.

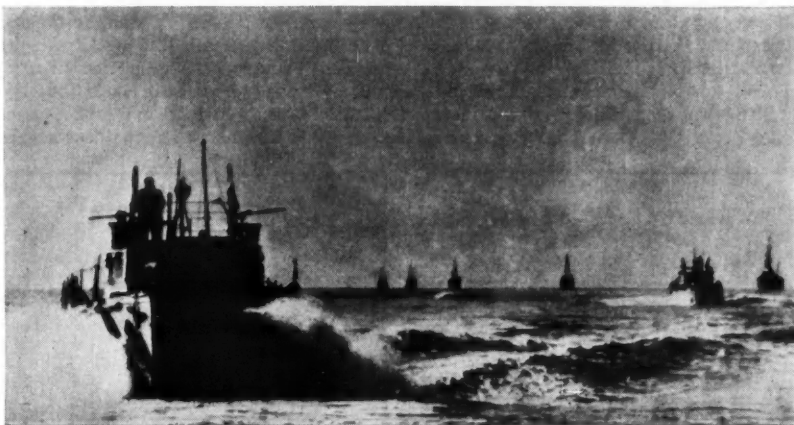
Last week there were reports of serious rioting in Milan—brought about by military failures in Albania and Africa, high casualty lists, high prices, food shortages,

posts. At war with Britain, on one hand, and overrun with grim, determined Nazis, on the other, Italy is rapidly becoming a very unhappy land.

Watch on the Alps

In the year 1291, when Europe was a chaos of small wars and raids, three little states high up in the Alps united for security. They were small, but they commanded important mountain passes. Armies sent against them were trapped and destroyed. Neighboring states, weary of being plundered, took heart and joined the little confederation. In this way Switzerland, the oldest republic in Europe came into being. Thus it has remained, in comparative peace and quiet for 650 years, a haven for travelers or refugees from all parts of the world who came to the mountains to find some kind of peace.

With the Axis on the north, east, and south, and with beaten France on the west, Switzerland stands today as the last republic on the continent of Europe. Two-thirds of her 4,200,000 people speak German. Several hundred thousand are Ital-



CLEARING THE CHANNEL—FOR POSSIBLE INVASION?
A fleet of German minesweepers clears a section of the English Channel of death-dealing mines. If an attempt at invasion is made this spring, mine sweepers like these will play an active part.

and a dislike of Germans. These reports were denied vehemently in Rome, and it now seems that they were somewhat exaggerated. Censorship prevents the outside world from obtaining an accurate picture.

At the time of writing there is no way of knowing how widespread the insurgent movement in Italy is. It may have been stopped altogether. It may spread. But if it is true, as reported, that Germans took part in suppressing the trouble, it indicates that Mussolini can no longer count entirely upon his own people, and that Germany has no intention of letting her partner collapse or deviate from the Axis. Germans are now pouring into Italy in rather large numbers, in the south and in Sicily taking over control of censorship and some key



SWITZERLAND
The Swiss watch their Alps for the first signs of invasion.

ian. About 280,000 Swiss are kept constantly under arms, and 500,000 more remain at home, with rifles, ammunition, gas masks, and uniforms, ready for the first sound of warning. But the Swiss are not overly worried about a German-Italian attack at present. Italy does not want Germany in Switzerland, and vice versa, but both Italy and Germany wish the railroads through Switzerland kept open, to ensure continuation of the enormous volume of traffic constantly flowing back and forth. At the first sign of invasion, the Swiss would probably dynamite the tunnels, depriving Italy of some of her German coal shipments.

But the Swiss are worried about their economic situation. Tourist travel has come to a stop. Switzerland's gateways to the outer world—namely, the Rhine River, the Rhone (which flows through France), and the port of Genoa, Italy, have been blocked. Practically no raw materials are arriving; coal is scarce, and gasoline has almost disappeared. All this is tending to create unemployment. While the Swiss are determined to maintain both their democracy and independence, month by month they are finding it more difficult to do either.

Fire from the Sky

The people of Britain have been subjected to a relatively new type of bombing raid, during the last two months. The night reverberates with the sound of heavy motors, but there is no thunder of exploding bombs. Instead there is a light pattering sound—a sound produced by perhaps 25,000 or 30,000 small bombs known as incendiaries. As the planes depart tiny pin pricks of fire are seen lapping roofs, lumber yards, and warehouses.

Incendiary bombs are usually dropped



CHINESE REDS

There have been recent reports of differences between Chiang Kai-shek and the Chinese communist armies supporting him in the north—differences which if allowed to develop could greatly hamper the fortunes of China. These are young Chinese communist soldiers photographed as they stood in front of a portrait of Mao Tse-tung, chairman of the Chinese communist forces.

in clusters of several hundred. They spread out as they fall toward the earth to cover a wide area. So great is the heat they generate that incendiary bombs can only be dealt with within a few minutes of the time they strike. Otherwise they will burn through a roof, fall to the next floor, burn through that, and keep on going down, starting raging fires all the way. Water thrown upon them turns to scalding steam.

Unofficial Ambassador

Those who frequent the National Press Club in Washington are very familiar with the figure of a quiet, deliberate man who appears to be in his middle forties, dresses in double-breasted suits, and responds pleasantly to the name "Bill." Only in his deep, slow way of speaking does he betray any hint of his background. Today Sir Willmott Lewis, 64-year-old Washington correspondent of the influential London Times, is being called, by many people, Great Britain's "unofficial ambassador" in Washington.

Willmott Lewis (he has been known as "Sir" for only 10 years) stands halfway between England and the United States. Born in Wales, in 1877, he was educated fashionably in Germany and France, then he knocked around Europe and the Far East as a reporter, editor, and actor, until he managed to scoop the out-



SIR WILLMOTT LEWIS

break of the Russo-Japanese war, a feat which brought him fame and to the United States. Succeeding years found him running a gymnasium in Philadelphia, editing a newspaper in Manila, writing reports from Tokyo, and finally in serving as a leading propagandist for the American Expeditionary Force in France, in 1917-18. His tact and resourcefulness brought him to the attention of Lord Northcliffe, who made him Washington correspondent for the London Times.

From his long experience in the United States, Sir Willmott has come to know this country far better than most Americans, and considerably better than members of the British Embassy staff. When hard feelings have arisen between the press and the Embassy, when an ambassador's wife has made many prominent Washington officials very angry, or when the British government has insisted upon something that is bound to stir the anger of Americans, Sir Willmott quietly appears with some timely advice and a joke, and matters are smoothed over. Time and time again he has successfully intervened when hard feeling was rising between London and Washington. It is for this reason that he has been called London's "unofficial ambassador" in Washington.

Taxation Problems Loom Before Congress

(Concluded from page 1)



TAX COLLECTOR
Secretary of the Treasury Morgenthau holds the nation's purse strings.

of it or not. He may never see a tax collector, but he pays taxes just the same. Every time he pays his rent, part of the money is used to pay the tax on the property in which he is living. When he goes to the movies, part of the money is paid to the government as a tax. When he buys a gallon of gasoline, a package of cigarettes; even when he buys food or clothing, a certain part of the money goes for taxation. If he buys a theater ticket, he knows how much he is paying in taxes because the amount is clearly marked on the ticket. The same is true when he buys a gallon of gasoline, or a deck of playing cards, or a package of cigarettes. These are visible taxes. The invisible taxes are those which are added to the price of the product and are not indicated. They may be used to help the farmer pay his taxes on land, the railroad to meet its taxes, or anyone else who has had anything to do with the production of the goods he purchases.

Average Tax Bill

Because so many of our taxes are invisible, it is difficult to determine exactly how much the average family pays each year in taxes. If the total tax bill of all governments, federal, state, and local, were equally divided among the people, every man, woman, and child in the country would have paid slightly over \$100 last year. Because of the increases imposed by Congress last year, the amount for 1941 will be considerably larger.

But the amount is not equally divided among the people. Some pay more and some pay less. The Twentieth Century Fund, an outstanding research organization, has estimated that a farm family in New York State, with an income of \$1,000, paid \$334 in taxes. A merchant with a \$5,000 income paid \$1,064. Of all taxes paid, about two-thirds are in the form of visible or direct taxes and the other third as invisible or indirect taxes.

During the last few years, the cost of state and local government has been running at about eight billion dollars annually. Local governments depend primarily upon the property tax, which may include merely real estate and buildings or such things as farm implements, stocks and bonds, jewelry, automobiles, or other personal property. About half of the states have sales taxes which are added to the purchase price of various articles. In some cases, all retail sales are taxed two or three per cent. The tax may even apply to restaurant meals. Another important source of revenue of the states is the gasoline tax and the automobile license tax. During recent years, the states have turned more and more to the income tax to add to their revenues until today more than two-thirds of them all have this form of taxation. Thus in many cases, persons are obliged to pay the same type of tax to both the state and the federal government.

Last year, the American people as a whole paid about a fifth of their national

income in taxes and the percentage will be larger with the higher rates that will be adopted. For the year ending June 30, 1941, the federal government will have collected more than seven billion dollars. For the following year, with a higher national income, nearly nine billion dollars will be collected, according to present estimates. If the present rates are increased by this session of Congress, an even larger amount will flow into the federal Treasury.

Sources of Revenue

Let us for a moment look at the various items which make up this gigantic sum which pours into the Treasury. As we pointed out earlier, the largest single item of revenue is the income tax. Approximately half of the total is derived from this source. For the year ending June 30, 1942, the total yield of the federal income tax will be four and a half billion dollars. Every single person who earns \$800 or more a year must file an income tax return and must pay a tax of four per cent on the amount above the \$800. Married persons with an income of \$2,000 or more are obliged to file a return and pay a tax at the same rate. Certain deductions are allowable, such as the money paid in interest, in charity, and in taxes. In addition, an allowance of \$400 is made for each dependent. As the income increases, surtaxes are imposed. For example, an additional four per cent must be paid by a single person on that part of his income which exceeds \$4,000; six per cent on that

imports. Nevertheless, it will amount to nearly \$300,000,000. All together, these taxes and other revenues will yield approximately nine billion dollars—the largest amount in our entire history.

Despite the heavy burden of taxation already upon the shoulders of the American taxpayer, it is difficult to see how new taxes can be avoided in the near future. As a result of the heavy expenditures made during the last eight years to solve the problems of depression, the national debt was, before the beginning of the present rearmament program, at the highest level in American history. When the United States emerged from the World War, the national debt was \$25,000,000,000—most of which had been accumulated during the war. At the end of 1939, it had surpassed \$40,000,000,000, and today it is rapidly approaching the 50-billion-dollar mark. How high the debt may go without danger of bankruptcy is uncertain, but it is obvious that sound policy calls for raising as much in taxes as possible.

What new taxes are likely to be imposed by Congress to meet the growing needs of the federal government? One form of taxation which would yield substantial sums is the general sales tax, similar to the sales taxes levied in many of the states. Such a federal tax would raise an estimated \$800,000,000 a year. But a federal sales tax is strongly opposed by President Roosevelt and by many members of Congress. They feel that such a levy would place too heavy a burden upon the people least

visions in the present tax laws. The most fertile source of revenue is still the income tax and many experts feel that only a beginning has been made in taking advantage of the opportunities in this field. While the rates on large incomes are extremely high, the total yield is not great because so few people in this country earn really large incomes. It is in the middle income brackets that the greatest possibilities lie. If people with moderate incomes were obliged to pay larger sums in taxes, the federal government could realize substantial increases in revenue.

Broadening the Base

Recognition of the importance of broadening the income-tax base was made in the tax law passed by the last session of Congress when the exemption for single persons was reduced from \$1,000 to \$800 and for married persons from \$2,500 to \$2,000. The possibility of further reducing the exemption will be explored by the present Congress, in all probability. It has been suggested, for example, that the exemption for married persons be lowered to \$1,800, thus bringing more thousands under the income tax laws and increasing the total yield of that tax. In all probability, Congress will also consider raising the rate of the tax. It is not at all unlikely that taxpayers next year will be obliged to pay a tax of six per cent instead of the present four per cent and that those in the higher brackets will have to pay higher surtaxes. At any rate, since the income tax offers the greatest promise of large returns, it will be carefully examined by tax experts and by members of Congress.

It is also possible that the tax on such products as gasoline, cigarettes, liquor, and many luxuries will be increased. The suggestion has been made that the former tax on bank checks be reimposed as a source of revenue and that taxes be imposed upon coffee, tea, and soft drinks. The American people in the years ahead may be paying not a fifth of their total income in taxes, as at present, but a fourth, or perhaps more. And in determining which taxes shall be increased and which new ones imposed upon the American taxpayer, Congress will be grappling with a problem of the greatest importance, for unwise decisions may have far-reaching consequences upon our entire economic system.

References

"How to Pay for Defense." *The New Republic*, July 29, 1940, pp. 153-168. In a special section of this issue, five writers discuss the various problems of taxation.

"Congress Prepares to Consider the Growing National Debt." *Congressional Digest*, January 1940, pp. 3-8. Times were different a year ago, but this description of how the federal government raises and spends money still applies.

"Federal Taxes for Defense," by M. Eisner. *Vital Speeches*, June 15, 1940, pp. 528-530. Mr. Eisner advocates that more people be required to pay income taxes.

"U. S. Defense: The Dollars." *Fortune*, November 1940, p. 79. "The experts figure we can afford our guns . . . and butter too . . . and maybe much higher taxes."



TAKING UP THE COLLECTION—1941
RAY IN KANSAS CITY STAR

part of it which exceeds \$6,000; and so on until the rate reaches 78 per cent on very large incomes. Similar surtaxes are imposed upon the incomes of married persons, although they do not begin until \$6,000.

In addition to these increases which were incorporated into the law of last year, a special national defense tax must be paid. This tax is 10 per cent of the total income tax paid by each taxpayer. Thus, if a person's regular income tax is \$100, he will have to add \$10 to cover the special national defense tax.

The income tax also applies to corporations, although the rates are different. A corporation earning more than \$25,000 a year must pay 19 per cent in taxes, and one with an income of less than \$25,000, the rate is graduated from 12½ to 16 per cent, depending upon the total income earned.

While the income tax is the principal source of revenue of the federal government, it is by no means the sole source. Nearly a billion dollars will be collected next year in liquor taxes; three quarters of a billion in tobacco taxes; a third of a billion in estate taxes (taxes imposed upon property of persons who die). More than three-fourths of a billion dollars will be paid in social security taxes; that is, taxes for old-age insurance and unemployment compensation. The income from customs duties on imported goods will be smaller next year because of the smaller volume of



THUMBS UP, BROTHER!
SEIBEL IN RICHMOND TIMES-DISPATCH

able to pay it; that is, those with the lowest incomes. It would also cut down consumption of the necessities of life and thus reduce the standard of living. The federal government, it is true, already imposes a sales tax on certain products, such as gasoline and cigarettes and theater tickets and certain luxuries, but this levy is justified on the ground that it does not apply to the necessities of life and does not place a burden upon the poor elements of the population.

Possible Sources of Revenue

It seems likely, therefore, that another source of revenue will be sought by Congress. One of the principal untapped reserves at the present time is the income on government bonds. Most of the bonds which the federal government has sold are tax-exempt. The owners of the bonds are not obliged to pay taxes on the income they receive from the government. And many of the bonds are held by persons or corporations who could well afford to pay taxes. There is a strong movement afoot to remove these exemptions. It is probable that Congress will pass a law requiring all government bonds sold in the future to be taxable. If such a law is passed, the Treasury will eventually collect \$400,000,000 a year in taxes from this source.

But this will fall short of the needs of the federal government, and for that reason Congress is expected to make drastic re-



TAXPAYER
More people will pay income taxes this year than ever before.

Nations to South Discuss Issues

(Concluded from page 1)

part of which she occupies. This plain rolls back into South America as far as the foothills of the Andes. In Uruguay, where it is tinted with purple grass, it is used largely for the raising of cattle and sheep. In Argentina, where it is known as the Pampa, and in Paraguay, to the north-west, it is used for similar purposes (although most of Argentina's 40,000,000 sheep are raised in the hills of the far south and east). It is a lowland belt producing grains and livestock products in great quantity.

Under ideal conditions, the grains, meats, and hides and skins raised on this plain come down the river, or are brought to river ports by railroad, and thence shipped abroad. In exchange for these products, foreign markets supply the region with a steady stream of manufactured goods—automobiles, electric light bulbs, radios, tires, cameras, nuts and bolts, and so on. It is only so long as that stream continues to travel steadily in both directions that Uruguay enjoys prosperity, for the merchants of Montevideo act as middlemen in moving this trade in and out of the continent. When this trade stops, the whole region suffers, Uruguay most of all, perhaps, since she is so dependent upon the markets of Europe—markets which have been nearly closed by the war abroad.

Important River System

But if Uruguay occupies only a small fraction of the great southeastern grassland, the Plate River also is only a small part of the great system which takes its name. Actually, the Plate is only the



INDIANS

Many of the people in Bolivia and Paraguay are Indian.

mouth formed by the junction of several different rivers rising in points as far distant as the Argentine slopes of the Andes and in the matted jungles of western Brazil. There is the Uruguay, which comes down from the north; the Salado from western Argentina, and the Paraná (a river system in itself) which flows from the arid uplands of the northwest. It was back in the half-wild country through which this particular river flows that the idea of regional cooperation in the Plate River basin came into being.

Paraguay and Bolivia lie well back in the center of South America, rising from the broad flat plain of the Plate River valley like two wide steps mounting into the Andes. Aside from a few regions of wooded hills and dense forests, Paraguay is mostly rolling and grassy. It is a fertile and well-watered country, but apt to be quite hot and uncomfortable. Bolivia rises into a high plateau to the northwest. It is cooler and drier than Paraguay; it contains more minerals (tin, oil, copper, and lead in particular), and about three times as many people. But Bolivia is a somewhat backward land. Fifty-two per cent of its 3,000,000 people are pure Indian, and only a very small minority are of continuous European descent.

The names Bolivia and Paraguay have often been coupled because the two republics have much in common. Both are



BUENOS AIRES—THE NEW PORT

The capital of Argentina is the largest city and most active port in Latin America. Argentina is also the leader among the River Plate nations, as shown on the map of the right.

completely landlocked. Each has had a great deal of trouble with its neighbors. Bolivia has lost a great deal of territory (see THE AMERICAN OBSERVER for January 27), and Paraguay has suffered fearful—almost incredible—losses of life in wars with her larger neighbors.

Costly War

Eight years ago Bolivia and Paraguay went to war with each other over a large wilderness of swamps and forests known as the Gran Chaco, a region which lay between them and was populated by about 115,000 Indians. It was a very long and very bloody war. Both countries lost. Bolivia lost the Gran Chaco; Paraguay about half of her young men. The losses on both sides were so heavy, in fact, that both countries seemed appalled at what they had done. They stood on the verge of collapse in the midst of a not-too-friendly continent. Gradually they began to draw together, in their misery, and to talk over common problems. Both needed better outlets to the sea to ship their goods abroad. Both were interested in the rivers which wind through the Gran Chaco, through Paraguay, and on to the south until they empty into the Plate itself.

If commerce could be properly developed along those rivers, the Bolivians and Paraguayans reasoned, matters would improve. Bolivia could ship the tin and other mineral ores from her mines, the hides and skins from her western highlands downstream; and Paraguay could do likewise with her agricultural products. But they could not do it alone. The co-operation of Uruguay and Argentina would have to be secured, and also of Brazil, because while Brazil is not strictly a River Plate country, its southern states border the Uruguay River and part of the southeastern grasslands. It was out of these deliberations that the River Plate conference developed.

While there are five different nations represented in Montevideo today, the proceedings are dominated by Argentina. Brazil is more a spectator than an active participant. Uruguay is too small, and Bolivia and Paraguay are too weak economically to offset the influence of the Argentines. So it is in most matters affecting the River Plate region.

Argentina probably resembles the United States more than any other country in Latin America. There are more schools, more railroads, and more industries in Argentina than in any other country south of the Rio Grande. There is a dynamic quality about the Argentines, a quality which finds its expression chiefly in Buenos Aires, the great capital which lies behind miles of long concrete piers, docks, and warehouses along the low south bank of the Plate. Buenos Aires is the third city of the Western Hemisphere (having been overtaken by Chicago again in the recent census). With its ultra-modern apartment buildings, 72 daily newspapers, high-priced shops and theaters, and fashionably dressed crowds of strollers, Buenos Aires gives the impression of being the capital of a world power. But Argentina's foreign policy has been decided, not by the

single city, but by the country which lies behind it—by the men who own the great farms and cattle ranches which stretch off to the dusty west, the huge flocks of sheep which nibble the sparse grass of the hills of Patagonia, in the far south.

There are a dozen main-line railroads radiating out of Buenos Aires, but they all lead into the country. There are no industries to speak of beyond the limits of Buenos Aires. But there are people, and they constitute two-thirds of Argentina's population. The greatness of Buenos Aires is due to the fact that it is the funnel through which the farm products of Argentina pour on their way to foreign markets.

In this sense, then, Argentina's problems are similar to those of Uruguay and Paraguay and Bolivia. There are large quantities of wheat and corn, hides and skins, meat and wool to be sold abroad in exchange for manufactured goods. Argentina naturally favors those countries which will buy her produce. These, in normal times, are chiefly Great Britain, France, Italy, and Germany, and from these European powers Argentina has been glad to purchase her manufactured goods and luxuries. Argentina's agricultural exports in the past have placed her first among the world's exporters of corn, second as an exporter of wool and wheat. She produces nearly 75 per cent of the world's normal meat exports, and 65 per cent of its linseed.

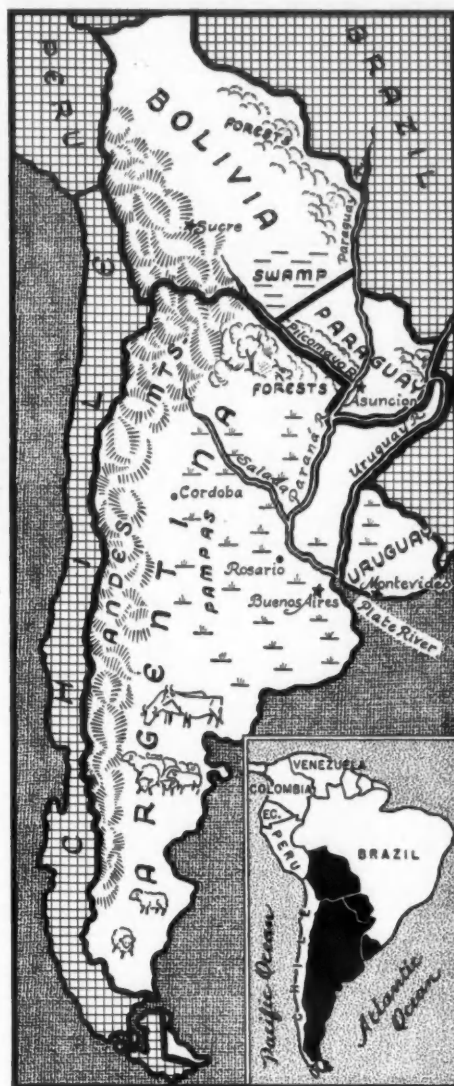
Competitor of U. S.

The United States has never been a very good customer of Argentina. We produce most of the manufactures which the Argentines wish to buy for themselves, but we also produce meat and wheat and corn, hides and skins, and many other products which the Argentines are trying to sell abroad. In that sense the two nations are like two stores on the same street, each selling the same goods. We are more naturally competitors than customers. The Argentines are still angry over a law on the statute books of the United States



MONTEVIDEO

The capital of Uruguay is one of the most attractive cities in Latin America.



which prohibits the importation of some types of Argentine beef. When this law was passed, some years ago, certain herds in Argentina were afflicted with hoof-and-mouth disease. The Argentines insist that this disease has been eliminated in most districts and have asked repeatedly that their beef be admitted (that coming from the unaffected regions at least) after undergoing whatever medical inspection the United States might wish to make. But the law was never modified, and it has remained a thorn in the side of United States-Argentine relations, hurting Argentine pride and pocketbooks at the same time. It is a small point, but it illustrates the manner in which Argentine resentment toward this country has developed.

Since her markets collapsed in Europe, Argentina has come closer to the United States than at any other time during this century. She has nearly doubled her purchases in this country, and our imports from Argentina are rising, although slowly. Argentina supports President Roosevelt's stand in backing England wholeheartedly, and press comment on the United States in general is more favorable than it was a year ago. As Argentina goes, in this case, so goes the rest of the River Plate bloc—Uruguay, in fact, has recently established very friendly relations with the United States, relations which may result in co-operation in establishing a big naval base on Uruguay's Atlantic coast. But considering herself to be the leading nation of Latin America, and more particularly to be the dominant power in the Plate River region, Argentina is determined to maintain her complete freedom of action in the lower end of South America.

References

"The Battle of Tin," by E. Kelly. *The Nation*, November 16, 1940, pp. 472-474. Bolivia's resources are vital to the defense of the Western Hemisphere.

"South America: Argentina." *Fortune*, July 1938, pp. 26-35. This article remains as one of the best and most complete descriptions of Argentina in recent years.

"Argentina vs. United States," by C. Beals. *Current History*, July 1939, pp. 28-31. Argentina is described in terms of her resources, many of which are in competition with those of the United States.

Write to the Pan American Union, Washington, D. C., for a list of its descriptive pamphlets, maps, and special reports on Argentina, Bolivia, Paraguay, and Uruguay.

JOSEPH ALSOP and Robert Kintner, outstanding political commentators, in one of their recent syndicated columns, tell of the effects of the visit to the United States of Britain's "air ambassador," Sir Hugh Dowding. Sir Hugh, they say, has convinced American military officials with whom he has been in frequent conference that England's chances are excellent in the coming air battle with Germany. Sir Hugh attributes the improvement to two influences. The first is the surprisingly little damage that the German night raids have done to British productive capacity. While the raids may cause widespread destruction, they do not vitally cripple production, due, in large part, to the system of decentralization "by which parts of every plane model are subcontracted to hundreds of small shops, sub-assemblies to scores of slightly larger ones, and even final assem-



INT'L NEWS
BRITAIN'S "AIR AMBASSADOR"
Sir Hugh Dowding is in the United States making a survey of aircraft factories to see what can be done toward standardizing British and American planes and parts.

blies are simultaneously carried on in several plants."

The second encouraging factor in the British situation, according to Dowding, is the improved position in the air. He contends that the Germans threw their entire air strength into the struggle last September and still were unable to gain mastery in the air. Moreover, say Alsop and Kintner, "he estimates present British air power as nearly three times greater than four months ago, and without making exaggerated claims, feels confident the Germans have lost some of their former advantage in numbers." In another way, the British position in the air has improved. Alsop and Kintner explain:

Dowding's most dramatic report concerned progress made on the British device for combating night air attacks. The nature and even the effects of the device are closely guarded military secrets, revealed only to the chiefs of our air forces, who are adapting it for our use. But those who have all the data in their possession are willing to disclose that the device permits a fighter plane to locate and attack a bomber, even on the darkest night. . . .

Argentina

Katherine Carr, in her book *South American Primer* (New York: Reynal and Hitchcock), gives the following picture of Argentina and certain national characteristics of that country:

Argentina has been called "the United States of South America," and it is more like the United States than is any other South American country. Its climate is like ours, although milder—the temperature never reaches the freezing point even in midwinter except in the extreme south. Its population is, for the most part, the result of European immigration, as is ours. Immigration to Argentina has been almost entirely Italian and Spanish, with very few northern Europeans, and in contrast to all the other South American nations, except Uruguay, the white element is definitely predominant. Argentina is the most advanced of the South American nations. It has more miles of railways, the greatest share of the continent's foreign trade, the lowest rate of illiteracy, the largest city of South America, newspapers which rival and in foreign news coverage even surpass the *New York Times*, and it has by far the greatest number of factories and industrial

establishments in South America. And so it might seem to follow that the United States and Argentina, having much in common, should be the very best of friends.

But unfortunately those very qualities of likeness have made Argentina wary and suspicious of us. She sees herself as the rival of the United States in intercontinental affairs, and she is jealous of our dominance. Argentina has her own game of power politics. She would like to return to her vice-regal boundaries, which included Uruguay and Paraguay and Bolivia. Even without taking those nations back into her own borders, she has succeeded in bringing at least Paraguay and Bolivia well into her "sphere of influence." Chile is one of those who believe that Argentina deliberately prolonged the Chaco War for her own interest.

The important thing is that Argentina is extremely conscious of her position as the leading South American nation. She feels that she can take on her neighbors, Chile and Brazil, in a war if it should ever become necessary, but let the United States become too friendly with either of them (as in Secretary Hull's proposal to lease old destroyers to Brazil) and Argentina is the first, the loudest, and the bitterest in her protest. She behaves with an arrogance that denotes a feeling of superiority when dealing with her neighbors, and with an aggressiveness that has undertones of envy when dealing with the United States. She resents anything on the part of the United States which can in any way be interpreted as meddling in South American affairs. And that the United States has in the past given her good ground for her resentment has not helped to improve her opinion of us, or to remove the ever-present chip from her shoulder.

Tragedy of Holland

The poignant tragedy that befell Holland last spring when the Nazis overran the country is told from firsthand information by the foreign minister, E. N. van Kleffens, in his *Juggernaut Over Holland* (New York: Columbia University Press, \$2). When it was apparent that the country could not hold out, the foreign minister, with another cabinet member, fled to England to establish a government in exile. Queen Wilhelmina was persuaded only at the last minute to flee, when it had been learned that the Germans had planned to kidnap her and take her to Berlin. One of the interesting incidents of the book is the account of the Queen's flight into exile:

It was only after Her Majesty's arrival that we learned the reasons which had made her take this momentous decision. The military situation in Holland had gone from bad to worse, in spite of the gallant fight of the Dutch soldiers, inspired by the thought of defending their country and all it stands for. On Monday morning, May 13th, the Commander in Chief informed the Queen and her Government that he could no longer assume responsibility for their safety. The Germans were threatening to bomb Rotterdam (which they did with terrible results the afternoon of the next day) and pressure on the Dutch



W.W.
QUEEN WILHELMINA

lines was such that it appeared more than doubtful whether they could be held much longer. The Queen decided that in no case would she render the Germans the service of allowing herself to be captured. Since The Hague became increasingly unsafe, it was thought best to proceed to the southwest corner of the country, to the mainland of Zeeland. The journey by land was out of the question. All Dutch men-of-war were heavily engaged in action with the enemy, so a British warship was placed at the Queen's disposal. It was a fine day, and were it not that the vessel had to steer a zigzag course against possible submarine attacks, it would have been a smooth journey. From time to time German planes were sighted, though they did not attack. But suddenly a disturbing message reached the warship. The little Zeeland harbor of Breskens, where Her Majesty was

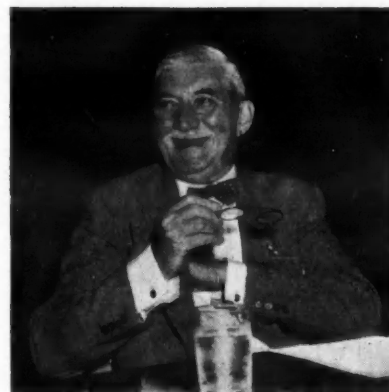
to disembark, was being heavily bombarded from the air. Whether the enemy had news of the Queen's departure and destination will probably always remain a secret. The fact remains that until then Breskens had been untouched. There was no town of importance, nor any military objective in the neighborhood. The conclusion seems obvious: it was a trap. The Germans hoped to destroy at Breskens what they had failed to capture at The Hague.

Her Majesty resolved not to play into their hands. Scarcely had the wireless message been received than the destroyer's bell signals rang out. Heavily she heeled over, altering her course westward—to England. The low dunes along the Zeeland coast faded slowly below the horizon, and as the late afternoon light deepened, the coast of England rose ahead. The destroyer stood in for an English port, with the Queen and her suite quite safe.

"Big Bill" Knudsen

Richard L. Strout, writing for the *Christian Science Monitor*, gives the following pen picture of William S. Knudsen, director of defense production:

Mr. Knudsen is a fascinating character. Physically, he is a giant. He bobs his head



W. S. E.
WILLIAM S. KNUDSEN
"I thought that if I could do something for the country I would want to do it."

when he says "yes," like a small Danish boy ducking in affirmation. There is a boyish quality about him; perhaps it is his simplicity. He has a slight accent. It is hard to catch on paper the phrase, "I t'ink the qu'vicker we get armed the less chance of war," does not do it justice, but it suggests it.

He refers always to Mr. Roosevelt as "my boss." The gentility, the simplicity, the accent, build up into an effect of trustworthiness hard to describe.

Most people who heard him will not soon forget the scene as he told why he gave up a \$150,000-a-year salary and big bonus as head of General Motors to work for his adopted country for nothing. This writer saw half a dozen congressmen wiping their eyes as he answered Luther Johnson's quiet question. Then he said slowly, dragging the words out—

"I don't want to sound sentimental. I have been working in this country for more than 40 years. It has been pretty good to me. I was in a position to work for nothing and—and I felt that if I could do something for the country I would like to do it. That's all."

Nobody was more embarrassed than Mr. Knudsen as he concluded. What had he said that made the crowd applaud?

For Air Enthusiasts

In every community of the land, there are groups of young people intensely interested in some phase of aviation. Few fields offer greater opportunities for hobbies. A number of organizations have been established to stimulate interest in the subject and now we have an excellent book written especially for those young people who are interested in the construction of model airplanes. It is called *Building and Flying Model Airplanes* (New York: D. Appleton-Century Company, \$2).

This book is perhaps the most complete and authoritative yet written on the subject. It describes in detail every step in both the building and flying of model airplanes and in working with groups interested in the hobby. It contains explicit material on the following subjects: the relationship between aircraft and model planes, selecting the material and tools for building the model, working with balsa,

and detailed instructions for the construction of the intricate parts which go into model airplanes. The book will prove to be a great help to the millions of air-minded youth of America.

Government Salaries

Here are the salaries received by the more important officials of the United States government:

The President, \$75,000. In addition he has traveling expenses of \$30,000. He may also draw from certain other White House funds for entertainment expenses, such as state dinners.

Vice-president, \$15,000.

Member of the cabinet, \$15,000.

Undersecretary (the official next to the cabinet officers of the various departments), \$10,000.

Chief justice of the United States Supreme Court, \$20,500.

Associate justice of the United States Supreme Court, \$20,000.

Senators, \$10,000.

Members of the House of Representatives, \$10,000.

In Brief

The entire towns of Coldwater, Mississippi; Hill, New Hampshire; and Greenville, Missouri, are moving from their present sites to make way for the construction of great dams. Many of their buildings will be moved to the new locations, while others will be torn down. Flood waters of the Ohio River forced Shawneetown, Illinois, and Leavenworth, Indiana, to take similar steps.

Until recently, when it ordered 25,000 revolvers from a company in the United States, the London police force has never been armed. Now the Bobbies, as the police are called, will carry the weapons as a defense against possible enemy invaders. The London "coppers" were named "Bobbies" after Sir Robert Peel, who was responsible for reorganizing London's law enforcement body over 100 years ago.

Today the average person eats 100 pounds less food during a year than he would have eaten in 1900. The decline, according to Department of Agriculture, is partly due to the fact that there are more labor-saving devices in the home, on the farm, and in the factory. Having to work less strenuously, people consequently have less hearty appetites.

There are 8,500,000 bicycles in the United States today. To take care of their share of this two-wheeled traffic problem, more than 300 towns and cities in 32 states



issue licenses for bicycles, and require the riders to obey road rules.

Buenos Aires provides its automobile drivers with free parking service in an underground lot which can accommodate 5,000 cars at one time.

In an average season, Guatemala produces about 3,000,000 pounds of chicle, most of which finds its way to the United States for the manufacture of chewing gum.

Information Test Answers

European History

1. (c) England. 2. (a) Cavour and Garibaldi. 3. Poland. 4. Granada. 5. Sweden. 6. The Franco-Prussian War.

Geography

1. Western entrance. Islands belong to Ecuador. 2. (d) Rumania. 3. (d) The Balearics. 4. (a) Bolivia and Peru. 5. (b) Afghanistan. 6. Sweden.